

IC 21-7-3

Chapter 3. Indiana University: Endowment Fund

IC 21-7-3-1

Permanent endowment fund of Indiana University

Sec. 1. There shall be assessed and collected, as state revenues are assessed and collected, in the year 1883, and in each of the next succeeding twelve (12) years, the sum of one-half of one cent (\$.0005) on each one hundred dollars (\$100) worth of taxable property in this state, which money, when collected and paid into the state treasury in each of the years named in this section, shall be placed to the credit of a fund to be known as the permanent endowment fund of Indiana University.

(Formerly: Acts 1883, c.69, s.1.) As amended by P.L.2-1988, SEC.709.

IC 21-7-3-2

Duties to pay off interest-bearing indebtedness

Sec. 2. Whenever, after the first day of May, 1884, there shall have been paid into the state treasury a sum of said permanent endowment fund sufficient to pay off any of the interest-bearing indebtedness of the state, it shall be the duty of the treasurer of state to pay off and cancel such indebtedness, and it shall be the duty of said treasurer of state to continue to pay off and cancel said interest-bearing indebtedness which may be due, or which, by the terms of the contract creating said indebtedness, may be paid off, whenever there is a sufficient sum of said permanent endowment fund in the state treasury to pay off the same out of said permanent endowment fund.

(Formerly: Acts 1883, c.69, s.2.)

IC 21-7-3-3

Issuance of nonnegotiable bond of state; provisions

Sec. 3. It shall be the duty of the treasurer of state, immediately after paying off any of the interest-bearing indebtedness of the state, as provided for in section 2 of this chapter, to make and issue to the trustees of said university and to their successors in office a nonnegotiable bond of the state, in an amount equal to the sum drawn from said permanent endowment fund and used in such payment. Said nonnegotiable bond shall be signed by the governor and treasurer of state, and attested by the secretary of state and the seal of the state, and be made payable in fifty (50) years after date, at the option of the state, and said bond shall bear five percent (5%) interest from date until paid, which interest shall be paid semiannually on May 1 and November 1 of each year, and the same shall be applied to the current and extraordinary expenses of said university and be paid to the trustees thereof under the same rules and regulations as is required by law in the payment of the revenues of said university. The nonnegotiable bond provided for in this chapter, when executed, shall remain in the custody of the treasurer of state.

(Formerly: Acts 1883, c.69, s.3.) As amended by P.L.2-1988, SEC.710.

IC 21-7-3-4

Loans from endowment fund

Sec. 4. So much of said permanent endowment fund as shall not at any time be absorbed by the nonnegotiable bonds of the state, as contemplated in this chapter, shall be loaned by the auditor of state at six percent (6%) interest, payable annually in advance in real estate security, and in making loans and disbursing interest collected, the treasurer of state and the auditor of state shall be governed by the law in force regulating the manner of making loans of the university funds and paying out interest collected, except as otherwise provided in this chapter.

(Formerly: Acts 1883, c.69, s.4.) As amended by P.L.2-1988, SEC.711.

IC 21-7-3-5

Records of mortgages and notes on account of loan

Sec. 5. It shall be the duty of the auditor of state to make a complete record of every mortgage and note executed on account of any loan from said permanent endowment fund, in a book to be kept in his office for that purpose, and on payment of any loan to said fund, said auditor shall enter a record of satisfaction in full on the margin of the record of the mortgage in his office, and sign the same with his name; and he shall also, in like manner, enter satisfaction in full on the face of the mortgage; which mortgage, when presented by the mortgagor, or any person holding title under him, to the recorder of the county wherein the land mortgaged is situated, shall authorize the recorder of said county to copy such entry on the record in his office.

(Formerly: Acts 1883, c.69, s.5.)

IC 21-7-3-6

State status as preferred borrower

Sec. 6. If at any time after June 5, 1883, the state shall need the loan of any part, or of all, of said permanent endowment fund, the state shall be a preferred borrower of so much of said fund as shall not be loaned at the time. But it shall be the duty of the treasurer of state to cause to be executed, as an evidence of any such loan, a nonnegotiable bond of the state for the amount so borrowed, in like manner as is provided in section 3 of this chapter. Provided, if at any time after June 5, 1883, the said Indiana University shall be consolidated with any other educational institution or institutions of the state, or shall be removed from its location on June 5, 1883, for any cause whatever, the funds raised under the provisions of this chapter shall be held and used for the benefit of such institution, as consolidated or changed, notwithstanding such change or consolidation, whenever so removed or consolidated. Provided, further, that after said date, no further appropriation shall be made to said university.

(Formerly: Acts 1883, c.69, s.6.) As amended by P.L.2-1988, SEC.712.